

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 299 - HB 340

March 21, 2013

SUMMARY OF BILL: Defines “mobile home park” and “movable structure” for the purpose of property tax. Requires the assessment of taxes owed on a moveable structure in a mobile home park to be assessed to the owner of the movable structure, instead of to the owner of the mobile home park. Reduces the amount of qualifying information the owner of the mobile home park is required to provide to the assessor on each movable structure within the mobile home park. Requires the assessor to send notice of the appraised value to each owner of a movable structure, instead of to the owner of the mobile home park.

ESTIMATED FISCAL IMPACT:

Decrease Local Revenue – Exceeds \$50,000

Increase Local Expenditures – Exceeds \$5,000*


Assumptions:

- According to the Department of Commerce and Insurance, this bill will not fiscally impact the Department.
- According to the Comptroller of the Treasury, this bill will not fiscally impact the Division of Property Assessments; however is estimated to result in a decrease to local government property tax collections.
- Under current law, the owner of the land on which the mobile home park is located provides information to tax assessor offices concerning the movable structures located on the property; the tax assessor then levies a tax on the improved property (including the value of movable structures on the property) to the property owner; then the property owner places a lien against any movable structure to secure the payment of the taxes; and then the property owner pays the applicable property taxes.
- By assessing each individual movable structure instead of assessing all structures as one improvement on the land of the mobile home park, it is estimated to result in a decrease in property tax collected on each mobile home park property by 25 percent.
- Pursuant to Tenn. Code Ann. § 67-5-508, at least ten days before the local board of equalization commences its annual session, the assessor shall notify each taxpayer of any change in the classification or assessed valuation of the taxpayer’s property. Such notification shall be sent by United States mail and shall be effective when mailed.

- The bill will also result in an increase in the number of notices and records the assessors will be required to keep because a record will need to be kept on each individual owner of a movable structure instead of just the land owner for the mobile home park
- It is estimated the cost associated with additional notices, recordkeeping, and additional appeals will result in a recurring increase in local government expenditures exceeding \$5,000.
- Due to multiple unknown factors, including but not limited to, how many mobile home parks are located across the state, how many movable structures are located on each mobile home park property during each assessment, the amount of property tax revenue collected under current law, the amount of property tax revenue collected under this proposed bill, a precise impact to local government revenue cannot be determined. However, the decrease in local government property tax revenue is reasonably estimated to exceed \$50,000 statewide.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read 'Lucian D. Geise', is positioned above the printed name.

Lucian D. Geise, Executive Director

/jrh